

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF IMPLEMENTATION)
OF A BATCH HOT CUT PROCESS)**

Case No. 03-00403-UT

and

**IN THE MATTER OF IMPAIRMENT)
IN ACCESS TO LOCAL CIRCUIT)
SWITCHING FOR MASS MARKET)
CUSTOMERS)**

Case No. 03-00404-UT

DIRECT TESTIMONY OF

BYRON S. WATSON

QWEST CORPORATION

FEBRUARY 16, 2004

**NMPRD
STAFF EXHIBIT**

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EXECUTIVE SUMMARY

My testimony addresses the question of whether competitive local exchange carriers (CLECs) can economically self-supply switching to serve mass market customers in specific geographic markets in New Mexico. This is fundamentally an empirical question, and the evidence from my analysis complements the evidence of existing competition presented by Qwest witness Nita Taylor to answer this question.¹ My analysis, which relies on a business case model called the CLEC Profitability Model (CPRO), demonstrates that an efficient CLEC can serve DS0-level mass market customers economically with self-supplied switching in two Metropolitan Statistical Areas (MSAs), containing 23 wire centers, in New Mexico. In these MSAs, my analysis shows that competitors are not impaired without access to unbundled circuit switching. Table 1 reports summary statistics of my analysis.

Table 1
Summary of *Baseline View* of the CPRO Model

MSA	NPV (\$000)	Number of Wire Centers
Albuquerque	\$ 1,624	19
Santa Fe	\$ 194	4

CPRO simulates the financial performance of an efficient CLEC in a selected geographic area. As used in the table above, "NPV" refers to net present value. As I explain below in more detail, NPV is determined by estimating the likely revenues a CLEC would generate over a period of years and subtracting the likely costs over the same period. Among the numerous assumptions in CPRO that underlie the model's NPV results are three that are regulatory-related:

¹ Ms. Taylor presents evidence of where CLECs in New Mexico have deployed their own switches and are providing services to mass market customers.

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- 1 1. Unbundled loops are available from the incumbent local exchange carrier
- 2 (ILEC) at the current prices established by the New Mexico Public
- 3 Regulatory Commission (the Commission);
- 4 2. Entrants can (and do) lease local transport (as either an unbundled network
- 5 element (UNE) or special access); and
- 6 3. Entrants must self-supply switching.

7 CPRO uses geographically-specific information to determine where CLECs have
8 opportunities to serve mass market customers economically without access to
9 unbundled local switching. The results are based on actual transport distances and
10 numbers of access lines in target wire centers and revenue and cost characteristics of
11 an efficient CLEC. The model is a financial model developed on the Microsoft Excel
12 platform. All calculations are transparent, and all inputs are user-adjustable.

13 Consistent with the Federal Communication Commission's (FCC) directive in the
14 Triennial Review Order (TRO), CPRO is designed not to predict the financial
15 performance of individual CLECs, but rather to evaluate whether an efficient CLEC
16 can economically serve mass market customers without an ILEC's unbundled
17 switching.² In this case, CPRO demonstrates that CLECs in New Mexico can serve
18 mass market customers economically in significant portions of the state, and it does so
19 with conservative assumptions that lend a high level of confidence to the model's
20 results. I adopted conservative inputs specifically to increase the confidence in the
21 simulation results. Even with this cautious approach, the model produces a positive
22 business case in two New Mexico MSAs – Albuquerque, and Santa Fe.

² TRO ¶ 517.

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1 Assuming the Commission adopts MSAs as the appropriate geographic market, Qwest
2 is seeking findings of non-impairment and elimination of the unbundled switching
3 requirement in these two MSAs. Consistent with this approach, the evidence Qwest
4 has presented is generally limited to these MSAs served by Qwest.

5 Entry simulation begins with the creation of a *baseline view* of competitive entry by an
6 efficient CLEC in the two New Mexico MSAs served by Qwest that have positive
7 NPVs. The *baseline view* results from running the model with the baseline (*i.e.*,
8 default) values for all inputs. Market quantities and prices are based on ILEC line
9 counts and potential CLEC revenues. The CLEC enters this market with a UNE-loop
10 (UNE-L) strategy, meaning that the CLEC supplies its own switching and leases
11 unbundled loops and transport from Qwest. The model estimates the annual cash
12 flows resulting from this entry strategy by combining: (1) volumes and prices for
13 specific services; (2) network investment and operating costs for switching, transport,
14 and collocation; and (3) loops and non-network costs. Based on the cash flow
15 estimates, the model identifies where unbundled switching is not required for CLECs
16 to compete economically for mass market customers. By focusing on MSAs, my
17 analysis uses the same geographic market definition that Qwest witnesses Nita Taylor
18 and Chip Shooshan use in their testimony.

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PUBLIC VERSION

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Case No. 03-00404-UT

DIRECT TESTIMONY OF

HARRY M. SHOOSHAN III

QWEST CORPORATION

FEBRUARY 16, 2004

EXECUTIVE SUMMARY

My testimony provides guidance, from the perspective of sound public policy reasoning, for making decisions that are consistent with the *Triennial Review Order* ("TRO") and rationally related to the goals of the Telecommunications Act of 1996 ("the Act"). The overall objective of my testimony is to provide the appropriate framework under the FCC's TRO for analyzing where competition would be unimpaired without the unbundled switching requirement for serving residential and small business customers. Within this framework, I provide a summary of the evidence presented in greater detail by Qwest's witnesses in this proceeding demonstrating that competition is not impaired in the Albuquerque and Santa Fe Metropolitan Statistical Areas ("MSAs") in New Mexico.

In the TRO, the FCC made a national finding that the development of competition among firms providing switched local services to "mass market" customers (what the FCC calls those customers that are not "enterprise" customers) is impaired without the unbundled switching requirements. However, the FCC recognized that state-by-state granular analyses of this type of competition may render the national finding inapplicable and, accordingly, it instructed state commissions to conduct geographically-specific analyses of whether efficient competitors are impaired in specific areas without access to unbundled circuit switching for mass market customers.

Whatever flaws one might believe there are in the TRO, those issues are appropriately left up to the federal appellate court considering the TRO appeal. They should not be "re-litigated" in this proceeding. For purposes of this case, I recommend that this Commission make the findings required by the TRO. However, where there are ambiguities or internal inconsistencies in the

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Order, the Commission should consider the principal policy objectives of the Act and relevant judicial opinions interpreting the impairment standard. Along these lines, Congress limited the unbundling requirement to cases where failure to provide the element would cause impairment. The Act and the various court decisions have made it clear that the FCC and the state commissions should limit the imposition of unbundling requirements to situations where it is clear that an efficient firm would not have a reasonable opportunity to succeed without the unbundling requirement. By adhering to these precedents, the Commission will help ensure that the statutory objectives are met and that the current process is a constructive one.

There are two "tracks" of inquiry that can lead to a finding of no impairment in a particular geographic market for local circuit switching serving mass market customers. Track One involves meeting either of two relatively objective triggers. The first trigger ("the self-provisioning trigger") is met if three or more competitors unaffiliated with one another or the incumbent use their own switches to serve mass market customers. The second trigger ("the wholesale trigger") is met if two or more wholesale providers offer unbundled local circuit switching. If the triggers are met, the FCC has made it very clear that the impairment inquiry ends. Track Two involves the analysis of the viability of additional competition that does not rely on unbundled local switching at TELRIC-based prices, including additional Competitive Local Exchange Carrier ("CLEC") entry and expansion and the competition from alternative sources, such as intermodal providers generally.

The step-by-step process for identifying the geographic areas where there is no impairment for local circuit switching serving mass market customers involves first determining the appropriate product (service) market that is served with the unbundled element at issue. The product market

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for evaluating competition and impairment in this proceeding, therefore, includes the types of services that mass market customers purchase over POTS lines. These include, but are not restricted to, basic local service, vertical features, toll services, and all services that significant numbers of customers view as reasonable substitutes for these services. There is no preordained method for determining the scope of geographic markets, and the FCC offers very little guidance, other than declaring that a market cannot include an entire state, but must be large enough to allow the CLEC to take advantage of scale economies. The simplest, and perhaps most obvious, guiding principle for establishing geographic markets is that the scope of the market should be determined based on the best available information.

The key to determining the appropriate geographic markets is the selection of a method for aggregating wire centers. An aggregation of wire centers that is based upon the ability of efficient competitors to provide service over their own switches to mass market customers meets both the economic and practical requirements for defining an appropriate geographic market. Given the circumstances in New Mexico, aggregating wire centers by MSA makes sense from economic and practical perspectives. MSAs are: (1) granular enough to include areas with similar cost and revenue characteristics; (2) broad enough to allow competitors to capture economies of scale; (3) reasonable areas for looking at actual and potential competition; and (4) structured such that wire centers generally fit neatly within their borders.

In addition to addressing the market definition, this Commission must identify the "crossover point" for determining whether a customer is a mass market or an enterprise customer. The FCC finds that customers taking four or more DS0 loops could be served in a manner similar to that described above for enterprise customers—that is, voice services provided over one or several

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DSLs. In the absence of "significant evidence to the contrary," I believe the Commission should adopt the FCC's cutoff of three lines and below as the demarcation of the mass market.

Qwest presents compelling evidence that efficient competitors are not impaired in many areas in New Mexico without access to unbundled circuit switching for mass market customers. In total, Qwest provides evidence that CLECs are not impaired in the Albuquerque and Santa Fe MSAs. The evidence of broad deployment of existing CLEC switches is supported by a business case analysis presented by Mr. Watson that demonstrates the potential for CLEC competition in these two MSAs. Qwest presents evidence that there is sufficient existing and potential competition to satisfy the FCC's Track Two requirements for a finding of no impairment.

Assuming the Commission adopts MSAs as the appropriate geographic market, Qwest is seeking findings of non-impairment and elimination of the unbundled switching requirement in these two MSAs. Consistent with this approach, the evidence Qwest has presented is generally limited to these two MSAs. If the Commission determines that an area other than an MSA is the appropriate geographic market, the Commission should remove the unbundling requirements for Qwest in the largest geographic areas wherein it finds that competition would not be impaired. It would also be appropriate to consider additional areas for non-impairment.

For areas where there is no economic impairment related to mass market switching, the FCC directs states to determine if there is operational impairment. Operational concerns listed by the FCC include difficulties in obtaining loops, collocation space and cross-connects from an incumbent LEC. The FCC, however, also recognizes that an operational problem only causes impairment directly when there is no practical operational solution. Qwest has been engaged in a collaborative process with CLECs to resolve any reasonable concerns the CLECs may have with

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certain operational processes. Mr. Hubbard explains that obtaining collocation space and cross-connects does not pose a significant problem for CLECs in New Mexico.

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DIRECT TESTIMONY OF

NITA A. TAYLOR

ON BEHALF OF

QWEST CORPORATION

February 16, 2004

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EXECUTIVE SUMMARY

My testimony establishes that facilities-based CLECs are now using their own switches to serve mass market local exchange customers in New Mexico at a level sufficient to meet the FCC's Triennial Review Order (TRO) "Track 1" self-provisioning trigger analysis in Albuquerque. Based on information available to Qwest from its own wholesale billing systems and the CLEC self-reported information drawn from the Local Exchange Routing Guide (LERG), it is clear that at least three unaffiliated CLECs are now serving mass market customers with their own switches in the Albuquerque metropolitan statistical area (MSA) (consisting of 19 wire centers). In addition, Qwest's evidence establishes that at least one facilities-based CLEC is now serving mass market customers with its own switch in the Santa Fe MSA. In paragraph 462 of the TRO, the FCC states:

Where a state determines that there are three or more carriers, unaffiliated with either the incumbent LEC or each other, that are serving mass market customers in a particular market using self-provisioned switches, the state must find "no impairment" in that market.

Also, as the FCC emphasized in a brief relating to the TRO that it recently filed with the United States Court of Appeals for the District of Columbia:

[We] made clear that where the triggers are not met, the presence of even one self-provisioning competitor in a market will increase the likelihood of a finding of no impairment... "[t]he existence of even one such switch might in some cases justify a state finding of no impairment, if [the state] determines that the market can support multiple, competitive supply."¹

¹ Opposition of Respondents to Petitions for a Writ of Mandamus, *United States Telecom Association v. FCC*, Nos. 00-1012 et al., p. 23. (October 9, 2003).

There are three concepts central to this directive from the FCC. First, the scope of the market must be defined to allow for an analysis of competitive data within a relevant geographic area. In paragraph 495 of the TRO, the FCC provides guidance as to how geographic markets should be defined, stating that state Commissions should not define markets so broadly as to encompass an entire state but also should not define them so narrowly that "a competitor serving that market alone would not be able to take advantage of available scale and scope economies from serving a wider market." For the reasons outlined in the testimony of Mr. Shooshan, MSAs should be used to establish appropriate geographic boundaries around the relevant market for purposes of this docket.

Second, a definition of the product market related to "mass market" customers must be established to allow an examination of evidence of facilities-based CLEC competition in that specific market. In the TRO, the "mass market" refers not only to residential customers but also to business customers that do not use DS1 capacity facilities. In paragraph 497 of the TRO, the FCC recognizes that "at some point, customers taking a sufficient number of multiple DS0 loops could be served in a manner similar to that described for enterprise customers." The FCC states further that "we expect that in those areas where the switching carve-out was applicable, the appropriate cutoff will be four lines absent significant evidence to the contrary. We are not persuaded, based on this record, that we should alter the Commission's previous determination on this point." As more fully explained in Mr. Shooshan's testimony, Qwest recommends for this proceeding that the Commission continue to follow the FCC's guidelines in defining "mass market" customers as those served by no more than three DS0 loops at a location.

Finally, pursuant to the guidelines in paragraph 462 of the TRO, a state Commission must determine whether three or more unaffiliated CLECs are providing local exchange service to mass market customers with their own switching within the area the Commission

defines as the market. Qwest's evidence that at least three CLECs are providing local exchange service to mass market customers with their own switches in the Albuquerque MSA supports non-impairment findings with respect to this market and eliminates any need for the Commission to conduct Track 2 analyses there.

Further, I present detailed evidence in Highly Confidential Exhibit NAT-4HC showing that specific CLECs in each MSA are active in the mass market. This exhibit is based upon: (1) information from the LERG showing CLECs with voice-type switches that are serving specific areas of the New Mexico market; (2) Qwest wholesale billing records relating to these same CLECs that show where the CLECs have collocation arrangements; and (3) Qwest wholesale billing records establishing where these CLECs are purchasing mass market unbundled loops from Qwest (defined as from one to three unbundled loops terminating at a customer's location). The exhibit also includes CLECs that are providing mass market local exchange service via CLEC-owned loops. To the extent additional CLECs are serving mass market customers with CLEC-owned loop facilities or with switches not defined specifically as voice switches, such as "soft switches" or packet switches, this exhibit understates the actual level of competition in the mass market in New Mexico. The evidence available to Qwest shows that the number of unaffiliated CLECs serving mass market customers via CLEC-owned switches in the Albuquerque MSA is four.

In Albuquerque, the number of unaffiliated CLECs serving the mass market is above the threshold level of three established by the FCC and supports a finding of non-impairment in this geographic area. I present additional evidence in Highly Confidential Exhibit NAT-4HC that at least one facilities-based CLEC is also actively serving mass market customers via its own switch in the Santa Fe MSA. However, the evidence of actual switch deployments in Santa Fe, coupled with business case analysis presented by Mr.

Watson and the economic framework presented by Mr. Shooshan establishes that CLECs can economically provide their own local switching in the Santa Fe MSA and that there is, therefore, no impairment there.

Additionally, I provide a discussion of "intermodal" wireless and Voice over Internet Protocol (VoIP) telephony competition. In paragraph 97 of the TRO, the FCC states "the fact that an entrant has deployed its own facilities - regardless of the technology chosen - may provide evidence that any barriers to entry can be overcome.... This approach is consistent with USTA's admonition that we should consider intermodal competitors as relevant to our analysis." In addition, in discussing evidence of impairment at page 10 of the TRO the FCC states, "In particular, we are interested in evidence concerning whether new entrants are providing retail services in the relevant market using non-incumbent LEC facilities. *We also give weight to the deployment of intermodal technologies.*" (emphasis added). While the "three CLEC trigger" is met in the Albuquerque MSA, intermodal competition is also now impacting Qwest's local exchange customer base in all MSAs in the state and should be considered as additional evidence of facilities-based competition in New Mexico. Wireless coverage is now expansive in New Mexico and at least 12 unaffiliated wireless providers are now offering service within the Qwest service territory. Given the attractive pricing and packaging of wireless offerings and the mobility of wireless service, many customers are now substituting wireless service for traditional Qwest wireline service. Also, as of November 2003, customers in the 100 largest MSAs nationwide, including Albuquerque, are able to keep their preexisting telephone number when changing from the service of one wireless provider to another and may also retain their preexisting Qwest wireline number when electing to substitute wireless for Qwest's wireline local exchange service. This new availability of "number portability" for wireless service will increase even further the pace of competition between wireless and wireline services.

Finally, I establish in my testimony that at least four unaffiliated vendors are now offering VoIP telephony service in New Mexico. This service merely requires a broadband Internet connection at the customer's location, and the VoIP provider delivers a "plug and play" device to the customer that is easily connected to the broadband connection. The VoIP services are typically priced as a package and include a range of features and unlimited local and long distance calling. Providers of VoIP services are not currently classified as CLECs and are not currently subject to regulation as telephony service providers. While VoIP service is another intermodal form of mass market competition now present in New Mexico, providers of these services are not included in my assessment of competition with respect to the mass market switching triggers. The presence of these providers in New Mexico, however, further demonstrates that intermodal competition in the state is robust.

The level of facilities-based CLEC competition in the mass market in the Albuquerque MSA clearly exceeds the threshold established in the TRO and supports a finding of non-impairment in this market. Additionally, intermodal competition in Albuquerque is now clearly present and should provide the Commission assurance that competitive options for mass market customers beyond services offered by traditional CLECs are available. Accordingly, I recommend that the Commission make findings of non-impairment with respect to mass market local switching in the Albuquerque MSA based on the FCC's "Track 1" trigger analysis. In addition, I recommend non-impairment findings in the Santa Fe MSA where the Track 1 trigger is not met but where competition nonetheless exists and there is no economic impairment that prevents the development of further competition (commonly referred to as the "Track 2" analysis). This Track 2 analysis is discussed further in the testimony of Mr. Shooshan and Mr. Watson.

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DIRECT TESTIMONY OF

ROBERT J. HUBBARD

QWEST CORPORATION

FEBRUARY 16, 2004

1 the Network Planning Department as an outside plant planner, in which I planned
2 for future jobs involving fiber cable placement and upgrades to the existing outside
3 plant network. In 1997, I moved into my present job as a Director in the
4 Interconnection Planning Department, where I am responsible for ensuring
5 compliance with the Telecommunications Act and federal and state regulations and
6 where I also continue to be involved in maintaining the integrity of Qwest's
7 network. My responsibilities include providing litigation support before the Federal
8 Communications Commission ("FCC") and state commissions on issues relating to
9 network elements and architectures for wireline networks. In addition, I represent
10 Qwest in the Network Reliability and Interoperability Council ("NRIC"), a body
11 created by the FCC, to address the reliability and interoperability of wireline
12 networks, broadband, and emerging cyber-networks. Specifically, I currently serve
13 on an NRIC committee addressing issues relating to broadband within the United
14 States.

15 **II. PURPOSE OF TESTIMONY**

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

17 A. Under the Triennial Review Order ("TRO"), if the New Mexico Public Regulation
18 Commission ("Commission") finds that the competitive triggers are not satisfied in
19 a particular market, the Commission must then consider whether CLECs could
20 economically enter that market, including ascertaining whether certain operational
21 barriers would prevent them from doing so. The FCC directed the Commission to
22 consider three specific operational issues:

In evaluating whether to find that requesting carriers are not impaired without access to local circuit switching, notwithstanding a market's failure to satisfy the triggers described above, . . . states must consider the role of potential operational barriers, specifically examining whether [(1)] incumbent LEC performance in provisioning loops, [(2)] difficulties in obtaining collocation space due to lack of space or delays in provisioning by the incumbent LEC, and [(3)] difficulties in obtaining cross-connects in an incumbent's wire center, are making entry uneconomic for competitive LECs.¹

1 The standard for evaluating these three operational issues is *not* simply whether
2 CLECs face some kind of difficulty with respect to these matters, but rather
3 whether any difficulties are so great that they actually render entry "uneconomic."²

4 The first of these three potential operational barriers — loop provisioning, which
5 includes hot cut issues — is the subject of a separate multistate collaborative, and
6 separate testimony on that issue was filed January 23, 2004. This testimony
7 addresses the other two issues: collocation and CLEC-to-CLEC cross-connects.
8 Qwest's performance today with respect to both is demonstrably outstanding, and
9 there is no reason to expect either to present a problem if unbundled mass-market
10 switching is no longer available.

11 With respect to collocation, as described below, Qwest is currently meeting fully
12 100% of its installation commitments in New Mexico and has consistently done so
13 for the past two years, regardless of how many collocation arrangements CLECs
14 have ordered. Qwest has ample physical collocation space available with only two
15 of its 65 central offices facing any kind of space constraint today. These two
16 offices are scheduled for additional construction to relieve the current space

¹ TRO ¶ 507

² *Id.*

1 constraint. Moreover, CLECs still have the opportunity to obtain interconnection
2 distribution frame ("ICDF") and virtual collocation in these offices before this
3 construction is finished. Qwest does not expect to have any difficulty providing
4 collocation in the future if UNE-P becomes unavailable, in large part because
5 Qwest offers collocation options (like ICDF, virtual collocation and shared space
6 collocation) that require extremely little space inside the central office.

7 CLEC-to-CLEC cross-connects do not present any potential operational impairment
8 either. Qwest permits CLECs to provision cross-connects with each other on the
9 CLEC side of the ICDF without any involvement by Qwest whatsoever, and
10 without having to give Qwest any notice of their activities. In this situation, Qwest
11 has no way of tracking the exact number of such CLEC-to-CLEC cross-connects.³
12 Qwest's SGAT does permit CLECs to ask Qwest to install these cross-connects.
13 However, Qwest has not provisioned any cross-connects in New Mexico pursuant
14 to such CLEC request. Qwest has never received a single CLEC complaint
15 anywhere in its region about its provisioning of CLEC-to-CLEC cross-connects.

16 III. COLLOCATION AVAILABILITY

17 **Q. WHAT DID THE FCC STATE WITH RESPECT TO COLLOCATION**
18 **AVAILABILITY AS A POTENTIAL OPERATIONAL IMPAIRMENT?**

³ But see CLECs privileged response to New Mexico Public Regulation Commission data request #15. This data request asks for CLECs that purchase up to 24 voice grade equivalent lines to provide the number of CLEC-to-CLEC cross-connects they have performed in New Mexico since June 2001. In addition, CLECs are requested to provide the number of CLEC-to-CLEC cross-connects they currently maintain in New Mexico.

1 A. No. As stated, Qwest has no record of complaints about CLEC-to-CLEC cross-
2 connects anywhere in its 14-state region. This is not surprising given that the
3 procedure for making CLEC-to-CLEC cross-connects available was negotiated with
4 the CLECs in the section 271 process. As stated above, the process gives CLECs
5 the opportunity to perform this work for themselves. For this reason, the success of
6 the product usually is placed squarely on the CLECs.

7 **Q. CAN YOU PLEASE SUMMARIZE YOUR TESTIMONY ON THE**
8 **AVAILABILITY OF CLEC-TO-CLEC CROSS-CONNECTS IN NEW**
9 **MEXICO?**

10 A. Yes. Qwest has demonstrated that it offers two different types of CLEC-to-CLEC
11 cross-connects to CLECs in New Mexico. In both instances, CLECs have the ability
12 to perform the work for themselves without any involvement by, or notice to,
13 Qwest. The process for making these connections available was created with CLEC
14 input during the section 271 process. To date, no CLEC has issued any type of
15 complaint about the process. In sum, CLEC-to-CLEC cross-connect issues do not
16 present any arguable operational impairment for CLECs in the state of New
17 Mexico.

18 **V. CONCLUSION**

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. Yes, it does.

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DIRECT TESTIMONY OF

WILLIAM R. EASTON

QWEST CORPORATION

FEBRUARY 16, 2004

1 services. In this role I work extensively with the Product Management, Network and
2 Costing organizations.

3 **Q. HAVE YOU TESTIFIED PREVIOUSLY IN NEW MEXICO?**

4 A. Yes I have. I have testified previously in Case Nos. 96-107-TC, 96-168-TC, 96-310-TC
5 and 3495.

6 **II. PURPOSE OF TESTIMONY**

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. The purpose of my testimony is to provide an overview of several Qwest product
9 offerings available to CLECs. Specifically, I will discuss Unbundled Switching,
10 Unbundled Network Element – Loop (UNE-L) and Resale product offerings. I will also
11 describe the process that Qwest and CLECs will use to transition away from existing
12 Unbundled Network Element – Platform (UNE-P) products when this Commission finds
13 that there is no impairment related to mass market switching. I recommend that the
14 Commission make a finding of non-impairment with regard to mass market switching in
15 those geographic markets specified by Qwest witnesses Taylor and Shooshan.

16 **III. UNBUNDLED SWITCHING AND UNE-P PRODUCTS**

17 **Q. HOW DO CLECS GAIN ACCESS TO UNBUNDLED SWITCHING TODAY?**

18 A. Qwest's CLEC customers typically gain access to unbundled switching through the use
19 of UNE-P, a combination of UNEs that includes unbundled local circuit switching, an
20 unbundled loop, and shared transport. UNE-P allows the provisioning of services that are
21 functionally equivalent to Qwest's comparable retail service offerings. For example,

1 L provisioning processes to make the desired conversion. Qwest filed separate testimony
2 on the issues discussed in the multi-state batch hot cut forum on January 23, 2004.

3 **VII. CONCLUSION**

4 **Q. WHAT IS YOUR RECOMMENDATION?**

5 **A.** I recommend the Commission make a finding of non-impairment with regard to mass
6 market switching in the markets specified in the testimony Qwest witnesses Taylor and
7 Shooshan. I also recommend that the Commission adopt and approve the batch hot cut
8 process described in the Batch Hot Cut testimony filed by Qwest.

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10 **A.** Yes.
11

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PHILIP LINSE

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